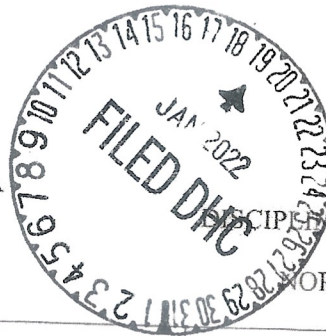


STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
21 DHC 1

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

VICTORIA LYNN BLOCK, Attorney,

Defendant

CONSENT ORDER
OF
DISCIPLINE

This matter came before a hearing panel of the Disciplinary Hearing Commission composed of Stephanie N. Davis, Chair, Margit Monaco Hicks, and Synthia Scott Kearny. Barry S. McNeill represented the Plaintiff, the North Carolina State Bar. Defendant, Victoria Lynn Block, appeared *pro se*.

Defendant waives a formal hearing in this matter. Defendant freely and voluntarily stipulates and agrees to the findings of fact and conclusions of law recited in this consent order and to the discipline imposed and consents to the entry of the order of discipline. Defendant freely and voluntarily waives all right to appeal the entry of this consent order of discipline.

Based upon the pleadings and the stipulated facts and with the consent of the parties, the Hearing Panel finds by clear, cogent, and convincing evidence the following:

FINDINGS OF FACT

1. Plaintiff, the North Carolina State Bar ("State Bar"), is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar (Chapter 1 of Title 27 of the North Carolina Administrative Code).
2. Defendant, Victoria Lynn Block ("Block" or "Defendant"), was admitted to the North Carolina State Bar on March 22, 2003, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.
3. During the relevant periods referred to herein, Block has been engaged in the practice of law in the State of North Carolina and maintained a law office in New Bern, Craven County, North Carolina.

4. Block maintains one attorney trust account, Branch Banking & Trust ("BB&T") trust account ending in number 7695 (hereinafter "trust account").
5. On June 11, 2015, Block was the subject of a random audit of her trust account by the State Bar.
6. The random audit showed deficiencies in Block's management of her trust account, including:
 - a. During the preceding four quarters, failed to conduct quarterly reconciliation reports showing the balance that appeared in the general ledger as of the reporting date, the total of all positive subsidiary ledger balances in the trust account as of the reporting date, and the adjusted bank balance and verify that the balances were identical, and review, sign, date and retain a copy of those reports for a period of six years;
 - b. Failure to identify clients on wire and electronic transfers for the trust account;
 - c. Bank charges for trust account paid with trust funds and then reimbursed by office funds or credited back by bank;
 - d. Ledger of attorney funds to service trust account not maintained;
 - e. Failure to maintain records of monthly reconciliations for the trust account;
 - f. Failure to maintain wire and electronic transfer confirmations for the trust account; and,
 - g. Failure to maintain funds in the trust account to cover credit card processing;
7. Block had previously been the subject of a random audit by the State Bar in 2008.
8. The prior random audit showed similar deficiencies in Block's management of her clients' entrusted funds as the 2015 audit.
9. Through at least April 2016, Block did not review the statement of costs and receipts, client ledger, and cancelled checks of a random sample of representative transactions completed during the quarter on a quarterly basis.
10. The State Bar duly served Block with the Complaint in this action on January 28, 2021, but Block failed to file a responsive pleading to that Complaint.
11. On August 30, 2021, Block filed a response acknowledging that she had failed to file a responsive pleading and requesting entry of default.
12. On September 2, 2021, an Entry of Default was entered against Block pursuant to Rule 55 of the North Carolina Rules of Civil Procedure and 27 N.C. Admin. Code 1B.0110(4) and .0115(g) of the North Carolina State Bar Discipline & Disability Rules.

13. Pursuant to 27 N.C. Admin. Code 1B.0115(f) of the North Carolina State Bar Discipline & Disability Rules, the allegations of the Complaint are deemed admitted by Block.

Based on the foregoing stipulated Findings of Fact and with the consent of the parties, the Hearing Panel enters the following:

CONCLUSIONS OF LAW

1. All parties are properly before the Hearing Panel and the Panel has jurisdiction over Defendant, Victoria Lynn Block, and the subject matter of this proceeding.

2. Defendant's conduct, as set forth in the Findings of Fact above, constitutes grounds for discipline pursuant to N.C. Gen. Stat § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- (a) By failing to review the statement of costs and receipts, client ledger, and cancelled checks of a random sample of representative transactions completed in her trust account during the quarter on a quarterly basis, Block failed to conduct quarterly reviews of her trust account in violation of Rule 1.15-3(i)(2);
- (b) By failing to identify clients on wire and electronic transfers, Block failed to maintain minimum records for her trust account in violation of Rule 1.15-3(b)(1);
- (c) By paying bank charges with trust funds and then reimbursing by office funds or credits back by bank, Block utilized entrusted funds for her own benefit in violation of Rule 1.15-2(k);
- (d) By failing to maintain a ledger of attorney funds used to service the trust account, Block failed to maintain minimum records for her trust account in violation of Rules 1.15-2(f)(1) and 1.15-3(b);
- (e) By failing to maintain records of her monthly reconciliations of the trust account, Block failed to maintain minimum records for her trust account in violation of Rule 1.15-3(d)(3);
- (f) By failing to maintain wire and electronic transfer confirmations, Block failed to maintain minimum records for her trust account in violation of rule 1.15-3(c)(1); and,
- (g) By failing to maintain funds in her trust account to cover credit card processing fees, Block utilized entrusted funds for her own benefit in violation of Rules 1.15-2(f)(1) and 1.15-2(k).

FINDINGS OF FACT REGARDING DISCIPLINE

1. The findings of fact in paragraphs 1-13 above are reincorporated as if fully set forth herein.

2. Clients expect and are entitled to have their money handled with the utmost care. Defendant's failure to properly maintain, manage, and handle entrusted funds betrayed a vital trust that clients and the public place in attorneys and in the legal profession.
3. Defendant's failure to comply with the trust account record-keeping, review, and reconciliation requirements of the Rules of Professional Conduct put entrusted client funds at risk and, therefore, had the potential to cause significant harm to clients for whom Defendant held entrusted funds.
4. Public trust in the legal profession is foundational to public faith in the legal system. Defendant's failure to properly maintain her trust account has the potential to cause significant harm to the standing of the profession in the perception of the public because it shows Defendant's disregard for certain of her duties as an attorney. Such disregard tends to erode the public's confidence in attorneys, thereby sully the reputation of, and fostering disrespect for, the profession, and undermining the public's confidence in the legal system.
5. Defendant has been licensed since 2003.
6. Defendant has no prior professional discipline.
7. Defendant has shown remorse and accepted responsibility for her actions.
8. Defendant has been cooperative during the pendency of this matter before the Disciplinary Hearing Commission and has complied with the State Bar's inquiries and requests for information.
9. Defendant has completed the one-hour CLE course for attorneys with check signing or wire transfer authority over a trust account as required by Rule 1.15-2(s)(3) of the Rules of Professional Conduct.

Based on the foregoing Findings of Fact, Conclusions of Law, Findings of Fact Regarding Discipline, and the consent of the parties, the Hearing Panel enters the following:

CONCLUSIONS REGARDING DISCIPLINE

1. The Hearing Panel has carefully considered all the different forms of discipline available to it, including admonition, reprimand, censure, suspension and disbarment.
2. The Hearing Panel has considered all the factors enumerated in 27 N.C. Admin. Code 1B .0116(f)(1) and determined the following factors are applicable in this matter:
 - a) Factor (A), intent of the Defendant to commit acts where the harm or potential harm is foreseeable; and
 - b) Factor (F), negative impact of Defendant's actions on the client's or the public's perception of the profession.

3. The Hearing Panel has considered the factors enumerated in 27 N.C. Admin. Code 1B .0116(f)(2) and determined that none of the factors that warrant disbarment are applicable in this matter.

4. The Hearing Panel has considered all the factors enumerated in 27 N.C. Admin. Code 1B .0116(f)(3) of the Rules and Regulations of the North Carolina State Bar and determines that the following factors are applicable in this matter:

- a) Factor (A), the absence of prior disciplinary offenses in this state or any other jurisdiction;
- b) Factor (F), a pattern of misconduct;
- c) Factor (G), multiple offenses;
- d) Factor (K), full and free disclosure to the hearing panel or cooperative attitude toward the proceedings;
- e) Factor (P), remorse; and
- f) Factor (S), degree of experience in the practice of law.

5. The Hearing Panel has considered all lesser sanctions and concluded that discipline short of a stayed suspension would fail to acknowledge the seriousness of the offenses Defendant committed and would send the wrong message to members of the Bar and the public regarding the conduct expected of members of the Bar of this State.

Based on the foregoing Findings of Fact, Conclusions of Law, Findings of Fact Regarding Discipline, Conclusions of Law Regarding Discipline, and the consent of the parties, the Hearing Panel hereby enters the following:

ORDER OF DISCIPLINE

1. Defendant, Victoria Lynn Block, is hereby suspended from the practice of law for two years, effective thirty days from service of this Order upon her. This suspension is stayed immediately as set forth herein, subject to the terms of paragraph 3 below.

2. Defendant is taxed with the administrative fees and costs of this action as assessed by the Secretary of the North Carolina State Bar. Defendant shall pay the administrative fees and costs of this proceeding assessed by the Secretary within sixty days of the State Bar mailing the statement of costs to Defendant at the address on file with the State Bar Membership Department.

3. The two-year suspension is stayed for a period of two years provided Defendant complies with all the following conditions:

- a. Defendant shall personally perform the monthly and quarterly reconciliations and quarterly transaction reviews of all bank accounts into which Defendant deposits funds held in trust for the benefit of any client or third party. Defendant shall perform the reconciliations using the reconciliation methods described in the State Bar Lawyer's Trust Account Handbook and using the reconciliation form provided therein. Defendant shall provide reconciliation reports and all appropriate supporting documentation to a Certified Public Accountant ("CPA") as provided below within fifteen days of the end of each quarter (each January 15, April 15, July 15, and October 15 during the period of the stay).
- b. Defendant shall, at her own expense, engage the services of a CPA to audit her trust account on a quarterly basis to ensure Defendant's compliance with the provisions of the Rules of Professional Conduct governing trust accounts:
 - (1) The CPA must submit quarterly a written report to the Office of Counsel of the State Bar ("OOC") concerning whether Defendant's reconciliations and trust account records and activities comply with the Rules of Professional Conduct. The report must detail any accounting irregularities and any deviations from the requirements of the Rules of Professional Conduct. The CPA's reports are due to the OOC no later than thirty days after the end of each quarter (each January 30, April 30, July 20, and October 30 during the period of the stay), with a copy of the report sent simultaneously to the Defendant. It is Defendant's sole responsibility to ensure the CPA completes and submits the reports as required by this order;
 - (2) If any of the CPA's reports note any irregularities in Defendant's accounting, or deviations from the requirements of the Rules of Professional Conduct, Defendant shall take all remedial action necessary to bring the trust account into compliance with the Rules of Professional Conduct and shall provide proof of the remedial action and compliance to the CPA and to the OOC within fifteen days of the submission date of the CPA's report; and
 - (3) Defendant's failure to ensure that the CPA submits any report required by this order or to take timely remedial action to correct any deficiency noted in the CPA's report as required in subparagraph (2), *supra*, shall be grounds to lift the stay and activate the suspension.
- c. Defendant shall provide any records or information regarding her trust account(s) requested by the OOC and, when requested by the OOC to do so, sign and provide any release or authorization to allow the OOC to obtain information directly from

any bank with which Defendant maintains a trust account, within ten days of the request or by the deadline stated in the request, whichever is sooner.

- d. If, at any point during the pendency of the stay of this suspension, Defendant ceases handling entrusted or fiduciary funds, Defendant shall submit to the OOC monthly an affidavit certifying that she did not handle any entrusted or fiduciary funds in that month. This affidavit shall be executed on or about the last day of each month and provided to the OOC by the tenth day of the following month (e.g. the affidavit for March would be executed on or about March 31st and provided to the OOC by April 10th).
 - e. Within six months after the entry of this Order, Defendant shall complete two hours of CLE in the area of trust account management approved by the OOC. This CLE requirement is in addition to the CLE requirements set out in 27 N.C. Admin. Code 1D.1518.
 - f. Defendant shall keep the North Carolina State Bar's Membership Department ("Membership Department") advised of her current business address. Defendant shall notify the Membership Department of any change of address within ten days of such change. Defendant's current business address must be a street address, not a post office box or drawer.
 - g. Defendant shall accept all certified mail from the State Bar sent to the address on record with the Membership Department and shall respond to all communications from the State Bar within thirty days of receipt of such communication or by the deadline stated in the communication, whichever is sooner.
 - h. Defendant shall timely comply with all State Bar CLE requirements and pay all associated fees and costs by the applicable deadline.
 - i. Defendant shall timely pay all membership dues, fees, and costs, including all Client Security Fund assessments and other charges or surcharges the State Bar is authorized to collect from her, including all judicial district dues, fees, and assessments.
 - j. Defendant shall not violate the Rules of Professional Conduct of North Carolina or of any other jurisdiction in which she is or may become licensed to practice law or the laws of the United States or of any state or local government, other than minor traffic violations.
4. If Defendant fails to comply with any one or more of the conditions set out above in this Order of Discipline, then the stay of the suspension may be lifted, and the suspension activated in accordance with 27 N.C. Admin. Code 1B.0118.

5. If the suspension is activated for any reason, the DHC may enter an order imposing such conditions as it deems proper for the reinstatement of Defendant's license at the end of the suspension. At minimum, Defendant must establish the following by clear, cogent, and convincing evidence prior to being reinstated to the practice of law after any period of active suspension:

- a. That Defendant submitted her law license and membership card to the Secretary of the State Bar within thirty days of the date of the order activating the suspension of his law license;
- b. That Defendant properly wound down her law practice and complied with the provisions of 27 N.C. Admin. Code 1B.0128 following entry of the order activating the suspension of his law license, including proper disbursement of any funds held in trust for any client or third party remaining in his trust account;
- c. That Defendant timely paid all administrative fees and costs assessed against her in this proceeding as reflected on the statement of costs served upon her by the Secretary of the State Bar;
- d. That within fifteen days of the effective date of the order activating the suspension of his law license, Defendant provided the OOC with an address and telephone number at which clients seeking return of files could communicate with Defendant and obtain such files;
- e. That Defendant provided client files to all clients who made a request for return of their files within ten days of Defendant's receipt of any such request;
- f. That Defendant kept the Membership Department advised of her current physical business address telephone number(s), and e-mail address(es) and notified the Membership Department of any change in address within ten days of such change;
- g. That Defendant responded to all communications from the State Bar within thirty days of receipt of such communication or by the deadline stated in the communication, whichever is sooner;
- h. That, at the time of his petition for reinstatement, Defendant is current in payment of all membership dues, fees and costs, including all Client Security Fund assessments and other charges or surcharges the State Bar is authorized to collect from her, including all judicial district dues, fees, and assessments;
- i. That, at the time of his petition for reinstatement, there is no deficit in Defendant's completion of mandatory CLE hours, in reporting of such hours, or in payment of any fees and costs associated with attendance at CLE programs;

- j. That, Defendant completed, within the six months that immediately preceded his petition for reinstatement, two hours of CLE in the area of trust account management approved by the OOC, in addition to the CLE requirements set out in 27 N.C. Admin. Code 1D.1518; and,
- k. That Defendant did not violate the Rules of Professional Conduct of North Carolina or of any other jurisdiction in which she is licensed to practice law, or the laws of the United States or of any state or local government, other than minor traffic violations.

6. If the stay of the suspension is lifted and the suspension is activated for any reason, and if Defendant fails to fully comply with 27 N.C. Admin. Code 1B.128, Defendant shall reimburse the State Bar for any expenses incurred by the State Bar in winding down Defendant's practice. Such expenses may include, but are not limited to, storage facility fees, rent payments, moving expenses, charges for secure disposal of client files, postage or other mailing expenses, and compensation paid to the appointed trustee and/or the trustee's assistant(s) for time and travel associated with the trusteeship. The State Bar shall send an invoice of the expenses incurred by the State Bar in winding down Defendant's practice to Defendant at the address on file with the Membership Department. Defendant shall pay the expenses within thirty days of the State Bar mailing the invoice to her.

7. Unless Defendant's obligations under this Order are modified by further order of the Disciplinary Hearing Commission (DHC), Defendant's obligations under this Order end two years from the effective date of this Order, provided there are no pending motions to activate the suspension of his law license alleging lack of compliance with the conditions of the stay of the suspension. Pursuant to 27 N.C. Admin. Code 1B.0118, the DHC retains jurisdiction until all conditions of the stay of the suspension have been met. If a motion or show cause proceeding alleging lack of compliance with the conditions for the stay of the suspension is pending when the period of the stay of the suspension would otherwise have terminated, the DHC retains jurisdiction and may lift the stay of the suspension and activate the two-year suspension in whole or in part if it finds that any of the conditions of the stay have not been met. The stay of the suspension and Defendant's obligation to comply with the conditions for the stay will continue until resolution of any such pending motion or show cause proceeding.

Signed by the Chair with the consent of the other Hearing Panel members this
the 19th day of January, 2022.

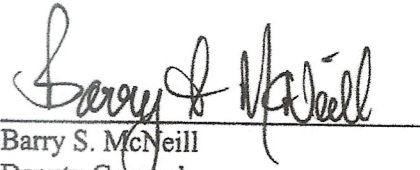
Stephanie N. Davis

Stephanie N. Davis, Chair
Disciplinary Hearing Panel

Agreed and consented to by:



Victoria Block
Pro se Defendant



Barry S. McNeill
Deputy Counsel
The North Carolina State Bar